Summary

This newsletter discusses NSLDS changes implemented due to the Higher Education Reconciliation Act of 2005 (HERA) and includes a brief discussion of special considerations extended to hurricane-affected students/loans and institutions.

NSLDS will be implementing the HERA requirements in a phased approach. Phase I changes will be implemented by July 1, 2006, with Phase II completed by December 31, 2006. Phase I changes include the new "GB" loan type for the Federal Family Education Loan (FFEL) PLUS Loan for graduate or professional students and the new "D3" loan type for Direct PLUS Loan for graduate and professional students. Additionally, as of July 1, NSLDS will accept and display the new Active Duty Military Deferment code "MO." Also, as part of Phase I, NSLDS will accept online overpayment updates from schools for overpayments associated with the Academic Competitiveness Grant (ACG) and the National Science and Mathematics Access to Retain Talent (SMART) Grant.

Another Newsletter will be released later this year with complete Phase II details.

PLUS Graduate Borrower

Federal PLUS Loans for Graduate or Professional Students

As a result of HERA, graduate and professional students will be eligible to borrow PLUS Loan funds under both the FFEL and Direct Loan programs. NSLDS has designated new loan type codes of "GB" for FFEL PLUS Graduate/Professional Loans and "D3" for Direct PLUS Graduate/Professional Loans.

NSLDS will accept and display the "GB" loan type on July 1, 2006, and the "D3" loan type on August 12, 2006. As with other Title IV loans, schools will be required to confirm and report the enrollment status of students who receive a PLUS Graduate Loan. Therefore, students receiving this loan will be on the Enrollment Reporting Roster of the school associated with the reported loan.

The following is an example of how the new loan type will be displayed on the NSLDS Web site (nsldsfap.ed.gov).

Details for Loan 1

Loan Type: GB - FFEL PLUS GRADUATE

Although NSLDS will accept and display the new "GB" and "D3" loan

type codes, we recognize that some trading partners will not be ready to receive these new loan types. NSLDS will convert data elements for exchange with these partners. In the following situations, any PLUS Loan for a graduate/professional student borrower that is displayed on the NSLDS Web site as a "GB" or "D3" loan type will be sent as a FFEL PLUS Loan, "PL," or Direct PLUS Loan, "D4," loan type, respectively:

- 2006–2007 ISIR data will reflect any PLUS Graduate/ Professional Loan as a "PL" or "D4" loan type.

- Until December 31, 2006, Transfer Student Monitoring alerts and Financial Aid History requests will display a PLUS Graduate/Professional Loan as a "PL" or "D4" loan type. After January 1, 2007, all PLUS Graduate/ Professional Loans will be reported as they are displayed.

Note: A PLUS Graduate/Professional Loan that has been converted in this manner can be identified by a graduate academic level (A, B, C, D, or G).

Loan History

NSLDS Loan History

A borrower's Aggregate Loan Information will include both PLUS and PLUS Graduate/Professional Loan information. The Aggregate Loan Outstanding Principal Balance amount will be the cumulative Outstanding Principal Balance of each individual PLUS and/or PLUS Graduate Loan listed in the borrower's Loan Summary section.

Loan History

Aggregate Loan Information

Loan Type	Outstanding Principal Balance	Pending Disbursements	Total
Subsidized Loans	$402	$0	$402
Unsubsidized Loans	N/A	N/A	N/A
Combined Loans	$402	$0	$402
Consolidation Loans, Unallocated	N/A		N/A
Perkins Loans	N/A		N/A
PLUS/PLUS Graduate Loans	$2,000		$2,000

The PLUS/PLUS Graduate Loans row is dynamic and will only display in borrowers' Loan History if they have either of these types of loans.

Military Deferment	**NSLDS Reporting of Military Deferments** A new military deferment type, "MO," has been created for loans meeting the eligibility requirements for Active Duty Military Deferment as provided for under HERA. NSLDS will accept the "MO" code on July 1, 2006, for all eligible loans first disbursed on or after July 1, 2001. This new deferment type will apply to the FFEL, Direct Loans, and Perkins Loans programs. **Activities for Loan** 2 	Action Date	Amount
Disbursements	
08/20/2004	$1,312
Deferments	| | Start Date	End Date	Type
---	---	---
02/01/2005	03/01/2006	MO	
ACG and National SMART Grant Overpayments	**NSLDS ACG and National SMART Grant Overpayments** Beginning July 1, 2006, NSLDS will accept online updates from schools for overpayments associated with the new Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent (SMART) Grant programs. START HERE GO FURTHER FEDERAL STUDENT AID · National Student Loan Data System (NSLDS) NSLDS · Menu Aid Enroll Org Report Tran Loan History | Overpayment List | Pell Grant | Student Access Interface Logged on as: FIRST LAST NAME from TEST SCHOOL UNIVERSITY Return To Overpayment List LOUSY N LOU SSN: 481-00-9999 DOB: 06/08/1961 **Overpayment Add** School: TEST SCHOOL UNIVERSITY Type: - SELECT - - SELECT - ACADEMIC COMPETITIVENESS GRANT Disbursement Date: FEDERAL PELL GRANT Indicator: PERKINS LOAN SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT Repayment Date: NATIONAL SMART GRANT Source: - SELECT - Submit PRIVACY ACT OF 1974 (AS AMENDED)

Overpayment List	While the awards themselves will not be displayed on either the NSLDS Financial Aid Professionals (FAP) or the NSLDS Student Access Web sites until Phase II has been completed, any overpayment associated ACG or National SMART Grants reported by a school will be displayed.
	NSLDS will maintain historical information on all overpayments reported by schools and the Department of Education. The most recurrent overpayment for each type of overpayment will appear on the Overpayment List page. A new Overpayment History page will be created to display all activity reported for an overpayment.

Overpayment History	If historical information exists on an overpayment, a History Icon (▣) will be displayed in the Hist column beside the overpayment number. Selecting the History Icon will display the new Overpayment History page, revealing the historical information about the specific overpayment selected.

All NSLDS Web site help pages have been updated to reflect the HERA changes from Phase I.

Hurricane Update	**NSLDS Hurricane Relief Efforts**

Also as of July 1, 2006, NSLDS will provide special considerations for students and institutions that were directly impacted by hurricanes in the fall of 2005. These considerations will be extended to those hurricane-affected students/loans that can be identified by the following:

1. The school code is one of the 33 identified hurricane-affected schools, and

2. The loan period was in the fall of 2005 (loan period overlaps or is within the dates of 08/27/2005 and 12/31/2005).

To accommodate the disposition of any Title IV aid disbursed by Gulf hurricane-affected institutions for an academic period that was delayed, cancelled, or interrupted due to hurricanes Katrina and Rita, NSLDS will adjust aggregate outstanding principal balance (OPB) calculations.

Loans eligible for these special considerations will have the following

	record level edits relaxed and/or aggregate OPB calculated differently to allow for additional Title IV aid:
	• Total Amount of Disbursements for FFELs will allow for up to two times the Amount of Guaranty. • Total Amount of Cancellation for FFELs will allow for up to two times the Amount of Guaranty. • Total Amount of Refund for FFELs will allow for up to two times the Amount of Guaranty. • Aggregate OPB will be adjusted to reflect the guaranteed loan amount when cancellations and/or refunds have been reported for a loan. The complete list of the 33 identified schools, as well as guidance and reporting instructions for hurricane-affected loans, can be found on the Financial Partners Web site at fp.ed.gov.

Summary	This newsletter discusses changes announced to the student aid community regarding the use of "real-time" data from source databases to resolve student eligibility issues related to NSLDS reported loan defaults and loan limit issues. This newsletter also updates the community on the reporting frequency to NSLDS by loan data providers and how recent changes made to data provider schedules have improved the quality and timeliness of data in NSLDS.
Real-Time Source Data	**Source Data and Student Eligibility** It was announced at the Department of Education's Electronic Access Conferences last fall that, in addition to paper documentation, institutions can rely upon information they access directly from a loan holder's authoritative database as documentation that a loan shown on NSLDS as being in default is no longer in default, or otherwise no longer impacts a borrower's eligibility (e.g. satisfactory arrangements have been made). Similarly, loan holder's data can be used to resolve eligibility problems created by the reporting in NSLDS of excessive borrowing by a student. Institutions must be able to verify that the loan(s) being reviewed is the problematic loan. Of course, if a school discovers information from a real-time data source that would question a student's eligibility for additional Title IV aid it should withhold Title IV funding until the issue is resolved. Access to loan data directly from a loan holder's database includes the use of third-party web-based products that display a loan holder's real-time data. To be used for Title IV eligibility purposes, such web-based products must obtain data directly from the relevant guarantor, lender or servicers' system and be displayed without any modification. The institution must retain an image of the information it obtains from the authoritative real-time site that clearly identifies the borrower, the status of the debt, and the source of the data. FAAs and others may refer to DCL GEN 96-13 to review how NSLDS data affects student aid eligibility.
NSLDS Reporting Frequency	**NSLDS Reporting Frequency** Both the Direct Loan Servicing System (DLSS) for Direct Loans and the Debt Management Collection System (DMCS) for all defaulted loans and grant overpayments held by the Department, submit data to

| | NSLDS weekly, while the Department's Conditional Disability Discharge Tracking System (CDDTS) and Perkins Loan data providers update information on a monthly basis.

All 35 Guaranty Agencies (GAs) now report FFEL loan information to NSLDS electronically rather than by sending tapes or diskettes. Five GAs report loan information weekly, while seven GAs send loan information to NSLDS twice each month, The remaining GAs submit loan data to NSLDS monthly.

In addition to regularly scheduled data submissions, a limited set of designated staff at each GA has been granted secure, real-time, online update capability to NSLDS. This allows GAs to instantaneously make necessary changes to NSLDS loan information that may affect a student's eligibility for additional Title IV aid. Since this capability was implemented in August 2002, over 133,785 loan records have been updated using this special online access.

More frequent reporting by data providers continues to improve the quality and timeliness of all data stored in NSLDS. The change to electronic transmission of data from GAs through the Student Aid Internet Gateway (SAIG) and online loan updates has contributed to this effort and has also improved the security of NSLDS data. NSLDS is dedicated to process improvement and will continue to work with all data providers to enhance the accuracy and timeliness of NSLDS information. |
|---|---|